

Remarks:

The present amendment is supplemental to, and should be considered in connection with, the amendment filed on September 16, 2008 in connection with the above-named case.

Reconsideration of the application, as amended herein, is respectfully requested.

First, Applicant would like to thank Examiner Merchant for the courtesy and helpfulness provided to Applicant's representative in a series of telephone conversations leading to the filing of the present Supplemental Amendment.

Claims 2 - 15 and 17 - 21 are presently pending in the application. Claims 2 and 15 have been further amended to address the concerns raised by the Examiner with regard to 35 U.S.C. § 101. Claims 1 and 16 were previously canceled. As it is believed that the claims were patentable over the cited art in their previously presented form, the claims have not been amended to overcome the references.

More particularly, the Examiner's Answer that was filed in connection with the Appeal formerly pending in the present case included a new ground of rejection in which then pending claims 2 - 15 and 17 - 21 were rejected under 35 U.S.C. § 101. Applicant amended claims 2 and 15 in an attempt to address the

newly introduced 35 U.S.C. § 101 rejection. Applicant has further amended claims 2 and 5, herein, to address a further concern raised under 35 U.S.C. § 101 by Examiner Merchant, by telephone.

As such, Applicant's amended claim 2 now recites, among other limitations:

(a) **in a system including a device for performing electronic transactions,** establishing a stored credit on behalf of a consumer, corresponding to an amount advanced by the consumer;

. . . .

(d) causing a first amount to be debited from the stored credit, **as a result of an electronic transaction reflecting a financial transaction using the financial card,** resulting in a remaining credit; [emphasis added by Applicant]

Similarly, Applicant's amended claim 15 recites, among other limitations:

(a) establishing a stored credit in a financial institution on behalf of a consumer, corresponding to an amount advanced by the consumer, **the financial institution including a device for performing electronic transactions;**

. . . .

(d) debiting a first amount from the stored credit **as the result of an electronic transaction reflecting a financial transaction using the financial card,** resulting in a remaining credit; [emphasis added by Applicants]

As such, Applicant's amended claims 2 and 15 require, among other things, a **device for performing electronic transactions**, as well as debiting **as a result of an electronic transaction**. As such, Applicant believes that the amended claims 2 and 15 even more clearly **involve statutory subject matter** (i.e., a **device** for performing an electronic transaction). The amendments to Applicant's claims 2 and 15 are supported by the specification of the instant application, as filed, for example, by paragraph [0014] of the published application, which states:

Electronic card authorizations were introduced in the 1970s, allowing retailers to get approval for transactions 24 hours a day. And by the late 1970s, **magnetic strips on the back of cards, along with electronic dial up terminals** shortened the transaction approval process to only 1-2 minutes. **Now card authorizations can be almost instantaneous**, allowing even greater convenience for both the retailer and the customer. [emphasis added by Applicant]

Thus, Applicant's originally filed specification explicitly disclosed the use of **devices for performing electronic transactions**, as claimed in the amended claims 2 and 15.

Further, paragraph [0027] of the published application states:

Establish a savings account with any bank and strictly for the purpose of making transactions using the financial card proposed here. [emphasis added by Applicant]

Applicant believes that any person of skill in this art would understand, after reading paragraph [0027] of the originally filed application, that the **establishment of a savings account with a bank** for use with the financial card of the invention, would inherently involve storing a credit on a computer associated with the bank. In fact, Applicant believes that, at the time the application was originally filed (April 9, 2004), a person of ordinary skill in this art, reading the originally filed specification, **could not come to any conclusion other than that the establishment of a savings account with a bank required the storing a credit on a computer associated with the bank.** M.P.E.P. § 2163.07(a), citing *In re Robertson*, states, in part:

To establish inherency, the extrinsic evidence 'must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill.

As such, in addition to explicitly disclosed device for performing an electronic transaction, Applicant believes that the specification of the instant application would support the recitation of a computer in claims 2 and 15, without adding any new matter, if Applicant so decided to amend the claims. However, Applicant believes that the presently amended claims sufficiently address the 35 U.S.C. § 101 rejection discussed with the Examiner.

For the foregoing reasons, among others, Applicant's claims are believed to be statutory subject matter under 35 U.S.C. § 101.

Applicant's claims are additionally believed to be patentable over the cited prior art and Applicant respectfully requests reconsideration of the arguments made to that effect.

More particularly, in item 10 of the Final Office Action mailed September 6, 2007 (the "Office Action"), claims 2 - 4, 6, 9, 10 and 13 - 22 were rejected under 35 U.S.C. § 103(a) as allegedly being obvious over The Bank Credit Card Business, American Bankers Association ("**ABA**"), in view of U. S. Patent Application Publication No. 2003/0041025 to Bonalle et al ("**BONALLE**"), and further in view of 401(k) Too Nice To Pinch, Eileen Ambrose ("**AMBROSE**"). In item 27 of the Office Action, claims 5, 11, and 12 were rejected under 35 U.S.C. § 103(a) as allegedly being obvious over **ABA** in view of **BONALLE**, and further in view of **AMBROSE**, and further still in view of "Orchard Credit Cards" ("**ORCHARD**"). In item 31 of the Office Action, claims 7 and 8 were rejected under 35 U.S.C. § 103(a) as allegedly being obvious over **ABA**, in view of "PSECU Capitol Card" ("**PSECU**").

As set forth in Applicant's Appeal Brief filed May 17, 2008, Applicant respectfully traverses the above claim rejections.

- I. Applicant's claims 2 - 4, 6, 9, 10, 13 - 15 and 17 - 22 are not obvious over The Bank Credit Card Business by American Bankers Association in view of Bonalle et al., U.S. Patent Application Publication 2003/0041025 and further in view of 401(k) too nice to pinch by Eileen Ambrose under 35 U.S.C. § 103.

In item 10 of the Office Action dated September 6, 2007 (the "**final Office Action**"), claims 2 - 4, 6, 9, 10 and 13 - 22 were rejected under 35 U.S.C. § 103(a) as allegedly being obvious over The Bank Credit Card Business, American Bankers Association ("**ABA**"), in view of U. S. Patent Application Publication No. 2003/0041025 to Bonalle et al ("**BONALLE**"), and further in view of 401(k) Too Nice To Pinch, Eileen Ambrose ("**AMBROSE**").

Applicant respectfully traverses the above rejections.

- A. The combination of the ABA, BONALLE and AMBROSE references fails to teach or suggest, among other limitations of Applicant's claims, establishing a pre-paid, stored credit, corresponding to funds advanced by the consumer, that is debited in accordance with purchases made by the consumer, and which requires repayment according to parameters set by the consumer, as required by Applicant's independent claims 2, 15 and 22.

More particularly, Applicant's independent claim 2 recites, among other limitations:

(a) **establishing a stored credit on behalf of a consumer corresponding to an amount advanced by the consumer;**

(b) **setting parameters for repayment of amounts borrowed from the stored credit, wherein the parameters for repayment include parameters for at least one of a payment of interest and a payment of late fees, the parameters being set by the consumer;**
[emphasis added by Applicant]

Similarly, Applicant's independent claim 15 recites, among other limitations:

(a) **establishing a stored credit in a financial institution on behalf of a consumer, corresponding to an amount advanced by the consumer;**

(b) **setting parameters for repayment of amounts borrowed from the stored credit, wherein the parameters for repayment include parameters for at least one of the payment of interest and the payment of late fees, the parameters being set by the consumer;** [emphasis added by Applicant]

Additionally, Applicant's independent claim 22 recites, among other limitations:

a record of a credit stored by a consumer at the financial institution;

. . . .

a billing system for managing said stored credit according to parameters set by the consumer, wherein said billing system debits said stored credit in accordance with purchases made using said debit card;

said billing system generating a statement detailing said debits to said stored credit and any interest or late fees due in accordance with said parameters, said billing system further debiting an amount of said debits from the record of the stored credit and

crediting said stored credit in the amount of any repayments of debits, payments of late fees and payments of interest made by the consumer; [emphasis added by Applicant]

As such, Applicant's claims 2 and 15 require, among other limitations, a stored credit that **corresponds to an amount advanced by the consumer**. Similarly, Applicant's claim 22 requires, among other limitations **a credit stored by the consumer**. As such, Applicant's claims clearly require that the amount of the stored credit available to the consumer to correspond to the amount previously provided to the financial institution **by the consumer**.

Additionally, Applicant's claimed stored credit is not merely the security or collateral for a line of credit to the consumer. Rather, Applicant's claims require, among other things, that **the cost of purchases made by the consumer be debited from the amount of the stored credit**. For example, Applicant's claim 2 requires, among other limitations:

(d) **causing a first amount to be debited from the stored credit**, as a result of a financial transaction using the financial card, resulting in a remaining credit; [emphasis added by Applicant]

Applicant's independent claim 15 recites, among other limitations:

(d) **debiting a first amount from the stored credit as the result of a financial transaction using the**

financial card, resulting in a remaining credit;
[emphasis added by Applicant]

Similarly, Applicant's independent claim 22 requires, among other limitations:

a billing system for managing said stored credit according to parameters set by the consumer, wherein **said billing system debits said stored credit in accordance with purchases made using said debit card**;
[emphasis added by Applicant]

Thus, Applicant's claims require a stored credit, **pre-paid by the consumer**, that is **debited in accordance with purchases made using a financial/debit card**. As such, as stated above, the money advanced by the consumer is not used as the security for a line of credit, but rather, is a stored credit that is actually debited in accordance with purchases made by the consumer using the financial card.

The principles and rules that govern secured credit cards are different from Applicant's claimed invention. The secured credit card is a product for people with poor or no credit history; which is approved only when the applicant can pledge cash upfront to use as collateral for an equal amount of credit extended (Ex: a \$500 credit limit in exchange for a \$500 savings deposit). However, with a secured credit card, collateral cannot be withdrawn unless debt is paid off (i.e., saving are off limits. Additionally, with a secured credit

card, the banks pays a low annual interest on the saving, but charges a higher than average rate on the money borrowed from the bank. Additionally, with a secured credit card the bank charges the consumer bank determined fees and penalties. This is not the case in Applicant's claimed invention, where the consumer is using his own money and setting his own repayment parameters, including parameters relating to interest and/or late fees.

Further, Applicant's claims 2 and 15 specifically require, among other limitations, that **the parameters for repaying the amounts debited from the pre-stored credit, be set by the consumer**. Correspondingly, Applicant's independent claim 22 requires, among other limitations, **a billing system generating a statement detailing debits to the stored credit (i.e., the credit "stored by a consumer"), and any interest or late fees due in accordance with the parameters set by the consumer**.

The setting of the parameters by the consumer is supported by the specification of Applicant's originally filed application, for example, on page 7 of the originally filed application, line 13 - page 8, line 8, (corresponding to paragraphs [0026] - [0032] of the published application US 2005/0228749), which lines state, in part:

The process of issuing and using the financial card proposed in this invention would work as follows: **The customer would**

Establish a savings account with any bank and strictly for the purpose of making transactions using the financial card proposed here.

Request the financial card from the bank.

Set the maximum amount the savings account can be charged against. In other words **set the minimum acceptable balance.**

Set the interest rate allowed to be charged for the use of the funds.

Set the monthly minimum payment as a percentage of the funds owed.

Set the monthly fee for late or default payments.
[emphasis added by Applicant]

As such, the specification of the instant application, **as filed**, clearly disclosed the concept of the consumer/customer **setting the operating parameters of the account** (i.e., setting the monthly fee for late or default payments, setting the monthly minimum payment for funds owed, setting the charge rate allowed for use of the funds, setting the minimum acceptable balance, etc.).

Thus, it can be seen that the invention of Applicant's claims recites and requires, among other things, a **pre-paid, stored credit** (i.e., corresponding to funds advanced by the consumer) **that is debited in accordance with purchases made by the consumer, and which requires repayment according to parameters set by the consumer.**

The cited references do **not** teach or suggest, among other limitations of Applicant's claims, **a consumer setting the parameters** (i.e., including the payment of interest and late fees) **for the repayment of amounts debited from the consumer's own savings** (i.e., "stored credit", "credit stored by a consumer") **in accordance with purchases made by the consumer**, as required by Applicant's claims.

First, the **ABA** reference fails to teach or suggest, among other limitations of Applicant's claims, establishing a stored credit on behalf of a consumer, corresponding to an amount advanced by the consumer, wherein the consumer sets the parameters for **repayment** of amounts debited from the consumer's own stored credit. Page 4 of **the final Office Action** pointed to pages 183-185 of the **ABA** reference for allegedly showing a consumer storing a credit. However, pages 183-185 of the **ABA** reference merely disclose the traditional use of debit cards. Nothing on pages 183 - 185 of the **ABA** reference teaches or suggests, among other limitations of Applicant's claims, **the consumer setting parameters for repayment of sums used from the cardholder's deposit account.** In fact, the **ABA** reference **only** discusses **repayments** for purchases made by the consumer using a card in the context of the traditional credit card model, wherein **the consumer repays credit extended by the financial institution** to the consumer.

For example, the **ABA** reference discloses the financial institution advancing credit (i.e., not a **stored credit advanced by the consumer**) to a consumer, and arranging for repayment of these **credit amounts used**. Nothing in the **ABA** reference teaches or suggests arranging for (i.e., invoicing for) repayment of sums **debited from the consumers own deposit account holding the consumer's own money** (i.e., stored credit corresponding to an amount advanced by the consumer). In fact, page 3 of the **ABA** reference, states in part:

Bank credit card credit differs from installment lending in the following ways (see exhibit 1.1):

- **Because the debt is unsecured**, the bank does not have recourse to specific collateral if customer defaults.
- **The bank's exposure equals or can even exceed the credit line** (for example, if a bank authorizes a request for additional credit or a cardholder exceeds his or her credit line), while with installment lending, the bank's exposure decreases each month the loan is in force.
- The repayment cycle, and therefore **the term of the loan**, is extended each time the cardholder accesses his or her credit line. [emphasis added by Applicant]

None of the above occurs in Applicant's claimed invention. Rather, because the Applicant is drawing only on **his own pre-stored** funds (i.e., savings), the bank does not have the same risks as with credit cards. In fact, the **ABA** reference specifically teaches away from the invention of Applicant's

claims. More particularly, page 7 of the **ABA** reference states, in part:

The net result is that consumers have found credit cards convenient, widely accepted, safe and flexible. **Credit is immediately available to fund everyday transactions, including when the cardholder wants to avoid using personal funds.** [emphasis added by Applicant]

Clearly, the **ABA** reference teaches away from use of a card for **drawing from the cardholder's personal funds** (i.e., "Credit is immediately available to fund everyday transactions, **including when the cardholder wants to avoid using personal funds**"), and the requirements for the subsequent repayment of these debited funds, as is required by Applicant's claims. This failure of the **ABA** reference is acknowledged on page 5 of **the final Office Action**, which states, in part:

ABA does not explicitly teach (b) **setting parameters for repayment of amounts borrowed from the stored credit**, wherein the parameters for repayment include parameters for at least one of a payment of interest and a payment of late fees and wherein the at least one of interest and a late fee is added to the remaining credit to form a new stored credit available to the consumer; [emphasis added by Applicant]

Rather, page 5 of **the final Office Action** points to the **BONALLE** reference as allegedly disclosing the setting of parameters for repayment of amounts borrowed from the stored credit, including setting parameters for at least one of a

payment of interest and a payment of late fees. Applicant respectfully disagrees.

More particularly, page 5 of **the final Office Action** states, in part:

Bonalle teaches (b) **setting parameters for repayment of amounts borrowed from the stored credit**, wherein the parameters for repayment include parameters for at least one of a payment of interest and a payment of late fees (see paragraph 11). [emphasis added by Applicant]

However, Applicant respectfully disagrees that **BONALLE** teaches or suggests, among other limitations of Applicant's claims, **setting parameters for repayment of amounts borrowed from the stored credit**, wherein the parameters for repayment include parameters for at least one of a payment of interest and a payment of late fees. Like **ABA**, **BONALLE** discloses a system wherein **credit is extended to a consumer from the financial institution**. See, for example, paragraph [0003] of **BONALLE**, stating in part:

After applying and qualifying **for a new transaction card account (e.g., credit or charge card)**, a consumer typically receives a card and/or account number with an associated finance charge for any late payments or **unpaid balances**. [emphasis added by Applicant]

That **BONALLE** relates to a system for repayment of credit extended **by the financial institution** to a consumer (and not

for repayment of use of the consumer's own advanced money), is further supported by paragraph [0011] of **BONALLE**, cited in the **final Office Action**, which states, in part:

Moreover, one skilled in the art will appreciate that any type of interest rate or finance charge arrangement may be contemplated by the present invention such as, for example, a constant interest rate, a varying interest rate, an interest rate that adjusts throughout different time periods, **application of the interest rate to any portion of the charges or balance**, interest rates that are due weekly, monthly, yearly or any other time period, interest rates based on other factors (e.g., membership status, economic indicators, etc) and/or the like. [emphasis added by Applicant]

See also, for example, paragraph [0009] of **BONALLE**, which states:

In the typical situation, a consumer 10 applies for a transaction card 12, and if qualified, the issuer sends the consumer 10 a transaction card 12 having an account number 14 associated with a transaction account 34, **wherein the transaction account includes a line of credit with a credit limit 30 and a pre-disclosed set interest rate 36**. The account number 14 may be used by the consumer 10 to charge purchases to the transaction account. With respect to a purchase transaction, after obtaining authorization for the account number 14 and the purchase amount from the card issuer (e.g., American Express, bank or other financial institution), the merchant 18 requests settlement of the charge from the card issuer and the card issuer pays the merchant 18 the value of the charge. **The card issuer then sends a bill to the consumer 10 requesting payment by a certain date of the recent charges associated with the transaction account**. If the consumer 10 does not pay the entire amount of the charges, the issuer may add a finance charge related to the unpaid balance on the next billing statement. [emphasis added by Applicant]

As such, **BONALLE** discloses providing the consumer with a credit or charge account including **a line of credit extended by the card issuer** and having a credit limit, wherein interest is charged on **the balance owed to the financial institution** associated with the card. Thus, **BONALLE** certainly does not disclose **the consumer**: 1) **providing an amount to form a stored credit**; and 2) **setting rules for the repayment of the use of the consumer's own money** (i.e., stored credit).

Further, the **AMBROSE** reference was cited on page 5 of the Office Action for allegedly disclosing at least one of interest and a late fee being added to a remaining credit to form a new credit. However, like the **ABA** and **BONALLE** references, **AMBROSE** also fails to teach or suggest, among other limitations of Applicant's claims, **establishing a stored credit on behalf of a consumer**, corresponding to **an amount advanced by the consumer** and **the consumer setting parameters for repayment of amounts debited from the stored credit**.

First, in **AMBROSE**, the 401(K) holder pays interests to himself when he borrows money from his account, however, the author clearly states in the first paragraph of **AMBROSE** that the 401(K) should not to be viewed as a savings account, but as a tool to build retirement income. In fact, when the account holder borrows against his account he loses the potential gain

if the money had remained invested in the account. Also, with the 401K system, the account holder does not have much flexibility and he does not have the autonomy to decide the interests rates, penalties, fees, etc. Further, a traditional 401(k) is usually rule limited to prevent the debiting of the 401(k) for individual financial transactions, as required by Applicant's claims, and for use with a debit card, as additionally required by Applicant's claims.

Further, the holder of a 401(k) is not permitted to **set the parameters for repayment** of debited sums, as required by Applicant's claims. This can be seen from the last sentence of the first page of the cited **AMBROSE** article, which states:

You repay the loan to yourself with interest, usually at the prime rate, now at 9.5 percent, or prime plus 1 percentage point. [emphasis added by Applicant]

The above citation from the **AMBROSE** article accurately states the state of the law for repaying loans from one's 401(k) account at **predefined interest rates set by the plan, and not set by the consumer**, as required by Applicant's claims.

The **ORCHARD** and **PSECU** references, cited in the **final Office Action** against certain dependent claims, in combination with the **ABA**, **BONALLE** and **AMBROSE** references, do not cure the above-discussed deficiencies of the **ABA**, **BONALLE** and **AMBROSE**

references. As such, the combination of the **ABA**, **BONALLE**, **AMBROSE**, **ORCHARD** and **PSECU** references still fail to teach or suggest, among other limitations of Applicant's claims, **the consumer setting the parameters for repayment of amounts borrowed from the consumer's own stored credit.**

- B. The combination of the **ABA**, **BONALLE** and **AMBROSE** references suggested in the Office Action would impermissibly destroy the express teachings of the **ABA** reference, if applied to Applicant's independent claims 2, 15 and 22 .

Additionally, Applicant believes that the disclosure of a traditional debit card system on pages 183 - 185 of the **ABA** reference, wherein no repayment of debited funds is required, is **not combinable** with the teaching in the **ABA** reference of repaying **credit advanced by a financial institution**, without destroying the teachings of the **ABA** reference. Page 7 of the **ABA** reference states, in part:

The net result is that consumers have found credit cards convenient, widely accepted, safe and flexible. **Credit is immediately available to fund everyday transactions, including when the cardholder wants to avoid using personal funds.** [emphasis added by Applicant]

Clearly, the **ABA** reference teaches that the **ABA** system requiring the repayment of credit advanced by a financial institution is to be used **when the cardholder wants to avoid using personal funds.** Thus, **ABA** teaches against tying up

and/or actually using the user's personal funds. Modifying the "credit model" of the **ABA** reference to store and borrow from a consumer's personal funds (i.e., the "debit model") would **impermissibly destroy the teachings of the "credit model" of the ABA reference**, while still not teaching or suggesting all limitations of Applicant's claims.

- C. **The combination of the ABA, BONALLE and AMBROSE references fails to teach or suggest, among other limitations of Applicant's claims, a consumer's pre-paid, stored credit, being debited in accordance with purchases made by the consumer, and requiring repayment according to parameters set by the consumer, wherein the parameters for repayment include parameters for at least one of a payment of interest and a payment of late fees, as required by Applicant's independent claims 2, 15 and 22.**

As shown in Section I(a) above, the references cited in the **final Office Action** fail to teach or suggest, among other limitations of Applicant's claims, **a consumer setting the parameters for repayment of amounts borrowed from the consumer's own pre-stored credit**. However, Applicant's claims further require, among other limitations, that the parameters **set by the consumer include at least one of a payment of interest and a payment of late fees**. More particularly, Applicant's independent claims 2 and 15 recite, among other limitations:

- (b) setting parameters for repayment of amounts borrowed from the stored credit, **wherein the**

parameters for repayment include parameters for at least one of a payment of interest and a payment of late fees, the parameters being set by the consumer; [emphasis added by Applicant]

Additionally, Applicant's independent claim 22 recites, among other limitations:

a billing system for managing said stored credit according to parameters set by the consumer, wherein said billing system debits said stored credit in accordance with purchases made using said debit card;

said billing system generating a statement detailing said debits to said stored credit and any interest or late fees due in accordance with said parameters, said billing system further debiting an amount of said debits from the record of the stored credit and crediting said stored credit in the amount of any repayments of debits, payments of late fees and payments of interest made by the consumer; [emphasis added by Applicant]

However, the cited references fail to teach or suggest, among other limitations of Applicant's claims, a consumer setting parameters for repayment of the consumer's own debited funds, which parameter's include at least one of **a payment of interest and a payment of late fees**. The failure of the **ABA** reference to teach or suggest this feature of Applicant's claims is acknowledged on page 5 of the **final Office Action**. Additionally, Applicant believes that the **BONALLE** reference, cited in the Office Action as allegedly disclosing the user selection of at least one of a payment of interest and a

payment of late fees, also fails to teach or suggest this limitation of Applicant's claims.

Rather, **BONALLE** discloses a consumer choosing when to apply a promotional interest rate (determined by the financial institution) to the accumulated balance of money owed on credit extended by a financial institution to the consumer.

See, for example, the Abstract of **BONALLE**, which states:

The present invention includes a system and method for facilitating the customization of a transaction card having a set interest rate **by allowing a consumer to choose when to use the promotional rate or customize other promotional offers.** The consumer can select or customize the offer by telephoning a consumer service agent or entering the request via the Internet. The system adjusts the set interest rate to be equivalent to the promotional interest rate such that the promotional interest rate is activated on the calendar date and during the promotional time period. [emphasis added by Applicant]

See also, for example, paragraph [0011] of **BONALLE**, cited in **the final Office Action**. Applicant respectfully believes that consenting to when a particular interest rate or another applies, is not the same as setting the interest rate or late fees. Applicant's claims require the consumer to set at least one of the interest rate.

As such, **BONALLE** discloses a system and method for flexible promotional rates **to save customers money in interest paid to**

someone else. Applicant's claimed invention is a savings and financing system and method in which the account holder has complete autonomy and the interest is paid to the consumer.

Additionally, as discussed above, like the **ABA** and **BONALLE** references, the **AMBROSE** reference also fails to teach or suggest, among other limitations of Applicant's claims, establishing a stored credit on behalf of a consumer, corresponding to an amount advanced/stored by the consumer and the consumer setting parameters for repayment of amounts borrowed from the stored credit, wherein the parameters for repayment include parameters for at least one of a payment of interest and a payment of late fees, as required by Applicant's claims. More particularly, the last sentence of the first page of the cited **AMBROSE** article states:

You repay the loan to yourself with interest, usually at the prime rate, now at 9.5 percent, or prime plus 1 percentage point. [emphasis added by Applicant]

As such, in **AMBROSE** the loan must be repaid at **predefined interest rates set by the plan, and not set by the consumer**, as required by Applicant's claims. Thus, like **ABA** and **BONALLE**, **AMBROSE** fails to teach or suggest, among other limitations of Applicant's claims, pre-storing a credit of a consumer, wherein the consumer sets parameters including at least one of interest rate and late fees for repayment of

amounts debited from the stored credit in accordance with purchases made by the consumer.

As such, Applicant's claims are believed to be patentable over **ABA, BONALLE** and **AMBROSE**, whether taken alone, or in combination.

The **ORCHARD** and **PSECU** references, cited in the **final Office Action** against certain dependent claims, in combination with the **ABA, BONALLE** and **AMBROSE** references, do not cure the above-discussed deficiencies of the **ABA, BONALLE** and **AMBROSE** references.

As such, Applicant's claims are believed to be patentable over **ABA, BONALLE, AMBROSE, ORCHARD** and **PSECU**, whether taken alone, or in combination.

II. Claims 5, 11, and 12 are not obvious over The Bank Credit Card Business by American Bankers Association in view of Bonalle et al., U.S. Patent Application Publication 2003/0041025 in view of 401(k) too nice to pinch by Eileen Ambrose and further in view of Orchard Credit Cards under 35 U.S.C. § 103.

In item 27 of the **final Office Action**, claims 5, 11, and 12 were rejected under 35 U.S.C. § 103(a) as allegedly being obvious over **ABA** in view of **BONALLE**, and further in view of

AMBROSE, and further still in view of "Orchard Credit Cards"
("ORCHARD").

Applicant respectfully traverses the above rejections of claim
5, 11 and 12.

More particularly, for the reasons set forth in Section I,
above, Applicant's independent claims are believed to be
patentable over the **ABA**, **BONALLE** and **AMBROSE** references. The
ORCHARD and **PSECU** references, cited in the **final Office Action**
against certain dependent claims, in combination with the **ABA**,
BONALLE and **AMBROSE** references, do not cure the above-
discussed deficiencies of the **ABA**, **BONALLE** and **AMBROSE**
references. As such, Applicant's claims 5, 11 and 12 are
believed to be patentable over **ABA**, **BONALLE**, **AMBROSE**, **ORCHARD**
and **PSECU**, whether taken alone, or in combination.

III. Claims 7 and 8 are not obvious over The Bank Credit Card
Business by American Bankers Association in view of **PSECU**
Capital Card under 35 U.S.C. § 103.

In item 31 of the **final Office Action**, claims 7 and 8 were
rejected under 35 U.S.C. § 103(a) as allegedly being obvious
over **ABA**, in view of "PSECU Capitol Card" ("**PSECU**").

Applicant respectfully traverses the above rejections of claim
7 and 8.

More particularly, for the reasons set forth in Section I, above, Applicant's independent claims are believed to be patentable over the **ABA**, **BONALLE** and **AMBROSE** references. The **ORCHARD** and **PSECU** references, cited in the **final Office Action** against certain dependent claims, in combination with the **ABA**, **BONALLE** and **AMBROSE** references, do not cure the above-discussed deficiencies of the **ABA**, **BONALLE** and **AMBROSE** references. As such, Applicant's claims 7 and 8 are believed to be patentable over **ABA**, **BONALLE**, **AMBROSE**, **ORCHARD** and **PSECU**, whether taken alone, or in combination.

IV. Conclusion.

For the foregoing reasons. among others, Applicant's claims are believed to be patentable over **ABA**, **BONALLE**, **AMBROSE**, **ORCHARD** and **PSECU**, whether taken alone, or in combination.

It is accordingly believed that none of the references, whether taken alone or in any combination, teach or suggest the features of claims 2, 15 and 22. Claims 2, 15 and 22 are, therefore, believed to be patentable over the art. The dependent claims are believed to be patentable as well because they all are ultimately dependent on claims 2 or 15.

In view of the foregoing, reconsideration and allowance of claims 2 - 15 and 17 - 21 are solicited.

In the event the Examiner should still find any of the claims to be unpatentable, counsel would appreciate receiving a telephone call so that, if possible, patentable language can be worked out

If an extension of time for this paper is required, petition for extension is herewith made.

Please charge any fees that might be due with respect to Sections 1.16 and 1.17 to the Deposit Account of Lerner Greenberg Stemmer LLP, No. 12-1099.

Respectfully submitted,

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